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1850 M Street, NW, Suite 1100 Washington, DC 20036 Telephone: (202) 828-7452 Fax: (202) 822-8999

Warren D. Hannah

Director, Federal Regulatory Relations United and Central Telephone Companies

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January 20, 1995

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W. Room 222 Washington, D.C. 20554

RE: In the Matter of Price Cap Performance Review for Local Exchange Carriers, CC Docket No. 94-1

Dear Mr. Caton:

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Today representatives of Sprint Corporation met with Mark Uretsky and Alex Belinfante of the Common Carrier Bureau to discuss issues in the above referenced matter. Information on the attached pages relative to Sprint's comments and reply comments submitted on May 9 and June 29, respectively, was discussed. Source information for the attached pages was derived from publicly available ARMIS data filed by Tier 1 local telephone companies.

Representing Sprint Corporation were Warren Hannah and Jim Sichter. Sprint requests that this information be made a part of the record in this matter. Two copies of this letter in accordance with Section 1.1206(a)(1) is provided for this purpose. If you should have any questions, please free to call.

Sincerely,

Warren D. Hannah

Attachment

cc: Mr. Mark Uretsky, FCC, Washington, D.C.

Mr. Alex Belinfante, FCC, Washington, D.C.

Mr. Jim Sichter, SUMC, Westwood, KS

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Productivity / Shari	ng Model		
landa.			
Inputs:			
	<u>Base</u>	<u>Adj</u>	
Productivity Change		1.00%	
Todactivity Change		1.00 /0	
LFAM	10.25%	9.25%	
Sharing Level 1 - ROR	11.25%	12.25%	
Sharing Level 1 - %	0.00%	0.00%	
Sharing Level 2 - ROR	12.25%	13.25%	
Sharing Level 2 - %	50.00%	50.00%	
Sharing Level 3 - ROR	16.25%	17.25%	
Sharing Level 3 - %	100.00%	100.00%	
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Output:			
	Base	Adjusted	Diff
	1994		··· ·· · · · · · · · · · · · · · · · ·
······································	Projected		
Ameritech			
Revenue	2,221,155	2,198,943	(22,212)
Exp	1,511,796	1,511,796	-
Taxes	294,491	285,270	(9,221)
Tax Rate	41.52%	41.52%	O O
Net Return	414,868	401,878	(12,990)
ANI	2,949,892	2,949,892	-
ROR	14.06%	13.62%	-0.44%
	1 110010		
LFAM	- 1	_	_
Sharing Level 1	-	-	•
Sharing Level 2	(45,744)	(9,419)	36,325
Sharing Level 3	-	-	
Total Sharing/LFAM	(45,744)	(9,419)	36,325
	(1511) (1	(5))	30,023
Net Revenue	2,175,411	2,189,525	14,113
Net ROR	13.16%	13.44%	0.28%
HOUNGE	10.10%	10.1170	0.2070
Bell Atlantic			
Revenue	2,782,157	2,754,335	(27,822)
Exp	1,900,767	1,900,767	(=.,0==/
Taxes	340,740	329,984	(10,756)
Tax Rate	38.66%	38.66%	(10,700)
Net Return	540,650	523,584	(17,066)
ANI	4,027,811	4,027,811	(11,555)
ROR	13.42%	13.00%	-0.42%
	10.4270	10.00 %	-V.72 /V
LFAM	_		
Sharing Level 1	 		
Sharing Level 2	(38,509)		38,509
Sharing Level 3	(30,308)		-
Total Sharing/LFAM	(38,509)		38,509
I OCOL CHAINS/FLVIAI	(30,308)		30,308
Net Revenue	2,743,648	2,754,335	10,687
Net ROR	12.84%	13.00%	0.16%
INGL KOK	12.0470	13.0076	U. 1076
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Bell South	T	T	
Revenue	3,188,995	3,157,105	(31,890)
Ехр	1,983,963	1,983,963	-
Taxes	477,095	464,469	(12,626)
Tax Rate	39.59%	39.59%	(0)
Net Return	727,937	708,673	(19,264)
ANI	4,558,772	4,558,772	(10,204)
ROR	15.97%	15.55%	-0.42%
LFAM	•	-	•
Sharing Level 1	-	-	-
Sharing Level 2	(140,285)	(86,607)	53,678
Sharing Level 3	-	•	•
Total Sharing/LFAM	(140,285)	(86,607)	53,678
Net Revenue	3,048,710	3,070,498	21,788
Net ROR	14.11%	14.40%	0.29%
			
NYNEX			
Revenue	3,103,569	3,072,533	(31,036)
Exp	2,316,337	2,316,337	(51,555)
Taxes	378,405	363,487	(14,918)
Tax Rate	48.07%	48.07%	(17,510)
Net Return	408,827	392,709	(16,118)
ANI	3,733,334	3,733,334	(10,110)
ROR	10.95%	10.52%	-0.43%
KOK	10.93 %	10.5276	-0.4370
LFAM	-	-	
Sharing Level 1		-	
Sharing Level 2	_	-	-
Sharing Level 3	_	_	
Total Sharing/LFAM	-	-	•
Net Revenue	3,103,569	3,072,533	(31,036)
Net ROR	10.95%	10.52%	-0.43%

Pacific Bell			
Revenue	1,634,579	1,618,233	(16,346)
Ехр	1,008,717	1,008,717	-
Taxes	225,552	219,661	(5,891)
Tax Rate	36.04%	36.04%	-
Net Return	400,310	389,855	(10,455)
ANI	2,454,463	2,454,463	-
ROR	16.31%	15.88%	-0.43%
LFAM	-	•	-
Sharing Level 1	-	•	-
Sharing Level 2	(76,748)	(50,529)	26,219
Sharing Level 3	(2,282)	-	2,282
Total Sharing/LFAM	(79,031)	(50,529)	28,501
Net Revenue	1,555,548	1,567,704	12,155
Net ROR	14.25%	14.57%	0.32%
SW Bell			
Revenue	1,928,581	1,909,295	(19,286)
Exp	1,257,892	1,257,892	-
Taxes	249,501	242,327	(7,174)
Tax Rate	37.20%	37.20%	-
Net Return	421,188	409,077	(12,111)
ANI	3,160,439	3,160,439	-
ROR	13.33%	12.94%	-0.38%
LFAM	-	-	-
Sharing Level 1	-	-	•
Sharing Level 2	(27,098)	•	27,098
Sharing Level 3	-	•	-
Total Sharing/LFAM	(27,098)	_	27,098
Net Revenue	1,901,483	1,909,295	7,812
Net ROR	12.79%	12.94%	0.16%
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US West			
Revenue	2,262,955	2,240,325	(22,630)
Ехр	1,494,815	1,494,815	-
Taxes	305,677	296,672	(9,005)
Tax Rate	39.79%	39.79%	- (0,000)
Net Return	462,463	448,839	(13,624)
ANI	3,659,898	3,659,898	(10,02-7)
ROR	12.64%	12.26%	-0.37%
	12.0470	12.20,0	0.07 70
LFAM	-	-	_
Sharing Level 1	_		
Sharing Level 2	(11,731)	_	11,731
Sharing Level 3	-	-	-
Total Sharing/LFAM	(11,731)	-	11,731
	(1.1,1.0.1)		
Net Revenue	2,251,224	2,240,325	(10,898)
Net ROR	12.44%	12.26%	-0.18%
	.2.7770	.2.2070	3.1070
GTE/Contel			
Revenue	2,572,256	2,546,533	(25,723)
Ехр	1,742,477	1,742,477	(=0,1,=0)
Taxes	323,755	313,719	(10,036)
Tax Rate	39.02%	39.02%	
Net Return	506,024	490,338	(15,686)
ANI	4,096,409	4,096,409	(10,000)
ROR	12.35%	11.97%	-0.38%
	12.00 //	71.0770	0.0070
LFAM	•	-	
Sharing Level 1		-	_
Sharing Level 2	(3,455)	-	3,455
Sharing Level 3	-	_	-
Total Sharing/LFAM	(3,455)	-	3,455
	(0,100)		
Net Revenue	2,568,801	2,546,533	(22,268)
Net ROR	12.30%	11.97%	-0.33%
	12.00%	7,100,70	
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SNET			
Revenue	343,789	340,351	(3,438)
Ехр	243,069	243,069	(0,100)
Taxes	43,097	41,626	(1,471)
Tax Rate	42.79%	42.79%	- (1,47,17
Net Return	57,623	55,656	(1,967)
ANI	500,471	500,471	(1,007)
ROR	11.51%	11.12%	-0.39%
	11.0170	************	0.0070
LFAM	_	-	-
Sharing Level 1	-	-	-
Sharing Level 2	•	-	-
Sharing Level 3	-	-	-
Total Sharing/LFAM	•	-	-
Net Revenue	343,789	340,351	(3,438)
Net ROR	11.51%	11.12%	-0.39%
Rochester			
Revenue	57,635	57,059	(576)
Exp	34,012	34,012	(5.0)
Taxes	11,936	11,645	(291)
Tax Rate	50.53%	50.53%	(0)
Net Return	11,687	11,402	(285)
ANI	98,223	98,223	(200)
ROR	11.90%	11.61%	-0.29%
- NON	11.0070	11.0170	0.2070
LFAM	-	-	-
Sharing Level 1	-	-	-
Sharing Level 2	-	-	•
Sharing Level 3	•	-	-
Total Sharing/LFAM	•	-	-
Net Revenue	57,635	57,059	(576)
Net ROR	11.90%	11.61%	-0.29%

Lincoln			
Revenue	32,121	31,800	(321)
Exp	20,112	20,112	- (,
Taxes	4,685	4,560	(125)
Tax Rate	39.01%	39.01%	0
Net Return	7,324	7,128	(196)
ANI	48,968	48,968	- (130)
ROR	14.96%	14.56%	-0.40%
	14.5070	17.0070	0.1070
LFAM	-	_	
Sharing Level 1	-	_	-
Sharing Level 2	(1,087)	(525)	562
Sharing Level 3	-	- (-
Total Sharing/LFAM	(1,087)	(525)	562
	(1,551)	(323)	
Net Revenue	31,034	31,275	241
Net ROR	13.60%	13.90%	0.30%
United/Centel			
Revenue	877,447	868,673	(8,774)
Ехр	553,188	553,188	-
Taxes	121,727	118,433	(3,294)
Tax Rate	37.54%	37.54%	0
Net Return	202,532	197,051	(5,481)
ANI	1,195,267	1,195,267	-
ROR	16.94%	16.49%	-0.46%
LFAM	-	•	•
Sharing Level 1	-	-	•
Sharing Level 2	(38,273)	(30,963)	7,310
Sharing Level 3	(13,290)	-	13,290
Total Sharing/LFAM	(51,563)	(30,963)	20,601
		-	
Net Revenue	825,884	837,710	11,826
Net ROR	14.25%	14.87%	0.62%

Industry Combined			
Revenue	21,005,239	20,795,187	(210,052)
Ехр	14,067,145	14,067,145	-
Taxes	2,776,661	2,692,597	(84,064)
Tax Rate	40.02%	40.02%	-
Net Return	4,161,433	4,035,445	(125,988)
ANI	30,483,947	30,483,947	•
ROR	13.65%	13.24%	-0.41%
LFAM	-	-	-
Sharing Level 1	•	-	-
Sharing Level 2	(356,080)	-	356,080
Sharing Level 3	- 1	-	
Total Sharing/LFAM	(356,080)	•	356,080
Net Revenue	20,649,159	20,795,187	146,027
Net ROR	12.95%	13.24%	0.29%